Ch. 7 Preparing a Worksheet Guided Notes

Fiscal Period

Trial Balance

Adjustments

Income Statement

Net Income

Net Loss

**7.1 Creating a Worksheet**

Fiscal periods typically begin at the beginning of a month/year and they last a specified amount of time. - \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Financial Information may be analyzed at \_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ during the year however it always is analyzed at the end of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Work Sheet** **- 4 Reasons to use a Work Sheet**

1. Summarize General Ledger account balances to prove that \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ equal \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

2. Plan needed changes to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to bring balances up to date.

3. Separate General Ledger account balances according to financial statements to be prepared. (\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ & \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_)

4. To calculate the amount of ­­­­­\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for a fiscal period.

**Preparing the Heading of a Worksheet**

1.

2.

3.

**Preparing the Trial Balance on a Worksheet**

1.

2.

3.

4.

5.

6.

**7.2 Planning Adjusting Entries on a Worksheet**

Expenses need to be recorded in the ­\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ that it is used to produce revenue.

The General Ledger accounts must be a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and these are updated at the end of the fiscal period.

Adjustments are changes made to update general ledger accounts at the\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Questions to Ask in Analyzing an Adjustment**

1.

2.

3.

**Steps to Recording Adjustments on a Worksheet**

1.

2.

3.

**Steps to Proving the Adjustments Columns of a Work Sheet**

1.)

2.)

3.)

**7.3 Extending Financial Statements on a Worksheet**

Financial Statements

Balance Sheet

Income Statement

**Steps to Extend Account Balances (Income Statement and Balance Sheet)**

1.

2.

3.

**Recording Net Income and Totaling and Ruling a Worksheet**

1.

2.

3.

4.

5.

6.

7.

**Calculating and Recording a Net Loss**

1.

2.

3.

4.